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OPEN MEETING ITEM

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COMMISSIONERS
GARY PIERCE, Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

ERNEST G. JOHNSON
EXECUTIVE DIRECTOR



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DIRECTOR

SECURITIES DIVISION
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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

MEMORANDUM

TO: Gary Pierce, Chairman
Bob Stump
Sandra D. Kennedy
Paul Newman
Brenda Burns

FROM: Matthew J. Neubert
Director of Securities

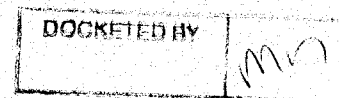
DATE: March 23, 2012

RE: *In re Terry L. Samuels, et al.*, Docket No. S-20812A-11-0281

CC: Ernest G. Johnson, Executive Director

Arizona Corporation Commission
DOCKETED

MAR 30 2012



Attached for your consideration is a proposed Order to Cease and Desist, Order for Restitution, Order for Administrative Penalties and Consent to Same ("Order") executed by Respondents James F. Curcio; AZIN Investor Group, LLC; AZIN Investor Group II, LLC; AZIN Investor Group III, LLC; AZIN Investor Group IV, LLC; Combined Holdings IV, LLC; and Combined Holdings V, LLC (collectively "Respondents"), and Mr. Curcio's spouse Jill Curcio. Ms. Curcio was joined pursuant to A.R.S. §44-2031(C) solely for the purposes of determining the liability of the marital community.

The remaining respondents in Docket No. S-20812A-11-0281—Terry L. Samuels, 3-CG LLC and Choice Property Group, LLC (collectively, "Samuels")—entered a consent order approved by the Commission on February 2, 2012, decision No. 72803. Consequently, Samuels is not included in the Order.

The Order finds that Respondents, who operated a business that purchased and rehabilitated residential properties, violated A.R.S. §§ 44-1841 and 44-1842 by offering and selling \$4,940,334.85 of unregistered securities in the form of membership interests in limited liability companies to over 50 investors. Respondents also violated A.R.S. § 44-1991 by making false representations about how investor funds would be used to purchase properties, how the investments would be secured with real property, and the risks of the investments. In fact, Respondents purchased properties with money from institutional lenders. Respondents used investor funds primarily to service loans from these institutional lenders. Those lenders received

first-position liens on the business's properties. The investors' investments were never secured with encumbrances on any of the business's property. By the end of 2010, the business was unable to service its loans. The business lost all of its properties to foreclosure, had no capital to pay investors, and ceased operating.

The Order requires Respondents to permanently cease and desist from violating the Securities Act, to pay a \$40,000 administrative penalty, and to pay restitution of \$4,940,334.85. Respondents, together with Samuels, are jointly and severally liable for this restitution.

The Division recommends the Order as appropriate, in the public interest and necessary for the protection of investors.

Originator: Ryan J. Millecam

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **COMMISSIONERS**

3 GARY PIERCE, Chairman
4 BOB STUMP
5 SANDRA D. KENNEDY
6 PAUL NEWMAN
 BRENDA BURNS

7 In the matter of)	
8 TERRY L. SAMUELS and ELISABETH	)	DOCKET NO. S-20812A-11-0281
9 SAMUELS, husband and wife,)	
10 JAMES F. CURCIO and JILL L. CURCIO,	)	DECISION NO. _____
11 husband and wife,)	
12 3-CG, LLC, an Arizona limited liability	)	ORDER TO CEASE AND DESIST, ORDER
13 company,	)	FOR RESTITUTION, ORDER FOR
14 CHOICE PROPERTY GROUP, LLC, an	)	ADMINISTRATIVE PENALTIES AND
15 Arizona limited liability company,	)	CONSENT TO SAME
16 AZIN INVESTOR GROUP, LLC, an	)	BY RESPONDENTS:
17 Arizona limited liability company,	)	JAMES F. CURCIO,
18 AZIN INVESTOR GROUP II, LLC, an	)	JILL L. CURCIO,
19 Arizona limited liability company,	)	AZIN INVESTOR GROUP, LLC,
20 AZIN INVESTOR GROUP III, LLC, an	)	AZIN INVESTOR GROUP II, LLC,
21 Arizona limited liability company,	)	AZIN INVESTOR GROUP III, LLC,
22 AZIN INVESTOR GROUP IV, LLC, an	)	AZIN INVESTOR GROUP IV, LLC,
23 Arizona limited liability company,	)	COMBINED HOLDINGS IV, LLC, and
24 COMBINED HOLDINGS IV, LLC, an	)	COMBINED HOLDINGS V, LLC
25 Arizona limited liability company,)	
26 and)	
COMBINED HOLDINGS V, LLC, an)	
Arizona limited liability company,)	
Respondents.)	

Respondents JAMES F. CURCIO; AZIN INVESTOR GROUP, LLC; AZIN INVESTOR GROUP II, LLC; AZIN INVESTOR GROUP III, LLC; AZIN INVESTOR GROUP IV, LLC; COMBINED HOLDINGS IV, LLC; COMBINED HOLDINGS V, LLC; and JILL L. CURCIO elect

1 to permanently waive any right to a hearing and appeal under Articles 11 and 12 of the Securities
2 Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act") with respect to this Order To Cease
3 And Desist, Order for Restitution, Order for Administrative Penalties, and Consent to Same
4 ("Order"); admit the jurisdiction of the Arizona Corporation Commission ("Commission"); admit
5 only for purposes of this proceeding and any other proceeding in which the Commission is a party
6 the Findings of Fact and Conclusions of Law contained in this Order; and consent to the entry of
7 this Order by the Commission.

8 **I.**

9 **RESPONDENTS**

10 1. JAMES F. CURCIO ("CURCIO"); AZIN INVESTOR GROUP, LLC, an Arizona
11 limited liability company; AZIN INVESTOR GROUP II, LLC, an Arizona limited liability company;
12 AZIN INVESTOR GROUP III, LLC, an Arizona limited liability company; AZIN INVESTOR
13 GROUP IV, LLC, an Arizona limited liability company; COMBINED HOLDINGS IV, LLC, an
14 Arizona limited liability company; and COMBINED HOLDINGS V, LLC, an Arizona limited
15 liability company, may be referred to collectively as "Respondents." At all relevant times,
16 Respondents have maintained a place of business in Scottsdale or Phoenix, Arizona and have been
17 issuing, offering and selling limited liability company membership interests within or from Arizona.
18 Respondents have not been registered by the Commission as securities dealers or salesmen.

19 2. JILL L. CURCIO was at all relevant times the spouse of CURCIO. JILL L. CURCIO
20 will be referred to as "Respondent Spouse." Respondent Spouse is joined in this action under A.R.S.
21 § 44-2031(C) solely for purposes of determining the liability of the marital community.

22 3. At all times relevant, Respondent CURCIO was acting for his own benefit and for the
23 benefit or in furtherance of CURCIO and Respondent Spouse's marital community.
24
25
26

II.

FINDINGS OF FACT

Formation of House-Flipping Business, 2003-2005

4. In late 2003, Terry Samuels, a respondent in this matter ("Samuels"), while working as an independent insurance salesman, began operating a house-flipping business, i.e. buying, remodeling, reselling and renting residential real estate located in Arizona (the "Business").

5. Samuels formed several Arizona entities through which to operate the Business.

6. In December 2004, Choice Property Group, LLC ("CPG") was formed, with Samuels serving as one of the initial managers and members. The Business conducted most of its operations through CPG.

7. In May 2005, Samuels formed 3-CG, LLC, an Arizona limited liability company ("3-CG"), with Samuels as a member and a Samuels-controlled entity as the manager.

8. Most of the Business's communications, including brochures and newsletters to investors, came from 3-CG on 3-CG stationary.

9. Samuels formed additional entities which, together with CPG, 3-CG, Samuels operated as if they were a single company.

10. During this time, Samuels was the Business's principal executive: he conducted the Business's meetings, entered and negotiated loans with institutional lenders, formed the strategy, determined which properties to purchase, directed the properties' rehabilitation, and sold the properties.

Initial Transactions, 2005-2007

11. In 2005, Samuels, primarily through CPG, began acquiring Phoenix-area residential properties. To finance the purchases and reconstruction, Samuels and other Business employees, through CPG and 3-CG, solicited and obtained funds from acquaintances, primarily acquaintances from the churches attended by Samuels and other Business employees. In general, these early

1 investors were informed as to which property their funds would be used to purchase and
2 rehabilitate.

3 12. CPG issued a promissory note to each investor in exchange for each investor's
4 capital contribution. The notes generally provided for a total yield of 12% over their terms
5 outstanding.

6 13. Each investor received as collateral an interest in a specific property in the form of a
7 deed of trust ("DOT") with the investor as the beneficiary and CPG as the trustor.

8 14. These individual investors were not the Business's only source of funding. Samuels,
9 primarily through CPG, also obtained funds from entity lenders at an annual interest rate of 18%.
10 These entity lenders obtained first-position liens on the properties CPG purchased with these funds.

11 15. Using funds from these early individual investors and entity lenders, Samuels,
12 primarily through CPG, purchased approximately 20 properties in the Phoenix area.

13 16. The Business was conducted in this manner until early 2007.

14 **The AZIN Investors, 2007 to 2010**

15 17. By early 2007, CURCIO had joined the Business as its part-time chief financial
16 officer. CURCIO had significant financial expertise and some management experience. CURCIO
17 was acquainted with Samuels and familiar with the Business from a previous house-flipping
18 investment with Samuels.

19 18. In the spring of 2007, Samuels and CURCIO expanded the Business's strategy. In
20 addition to having investors select, invest in and receive as collateral an interest in a specific
21 property in the form of a DOT with the investor as the beneficiary, the Business, on the advice of
22 counsel, created several limited liability companies (LLCs) that served as investor pools of
23 approximately \$1M each.

24 19. Samuels and CURCIO formed two Arizona limited liability companies: AZIN
25 INVESTOR GROUP, LLC, formed on April 13, 2007, and AZIN INVESTOR GROUP II, LLC,
26 formed on May 1, 2007. (These two entities, together with AZIN INVESTOR GROUP III, formed

1 August 9, 2007, AZIN INVESTMENT GROUP IV, formed October 10, 2007, COMBINED
2 HOLDINGS IV, LLC, formed October 16, 2007, and COMBINED HOLDINGS V, LLC, formed
3 September 23, 2008, each referred to as an "AZIN Entity" and collectively referred to as the "AZIN
4 Entities.") CURCIO was the manager and a member of each AZIN Entity; Samuels is identified as
5 an additional manager of COMBINED HOLDINGS IV and V.

6 20. The investors in these AZIN Entities received LLC memberships in exchange for
7 their investments. Respondents, on the advice of counsel, then pooled the funds received from
8 these investors (collectively referred to as the "AZIN Investors") and transferred the funds to CPG
9 or 3-CG. The funds were deployed as determined by the Business's managers, Samuels and
10 CURCIO. The AZIN Investors did not participate in the selection of properties or management of
11 the Business.

12 21. At or around the time they formed the first two AZIN Entities, Samuels and
13 CURCIO began contacting friends and family members, including Arizona residents, to purchase
14 membership interests in the AZIN Entities (the "Membership Interests"). This solicitation for
15 Membership Interest purchasers occurred within and from Arizona.

16 22. The Membership Interests were not registered as securities with the Commission to
17 be offered or sold within or from Arizona.

18 23. Samuels and CURCIO solicited potential investors, in part, by conducting in-person
19 presentations to small groups of potential investors. These groups ranged in size from one to about
20 ten persons. Samuels and CURCIO held these presentations in several states including Arizona,
21 Indiana and New York.

22 24. Samuels and CURCIO provided potential investors with detailed brochures and
23 newsletters that described the benefits of investing in the Business, current investment
24 opportunities, and the positive opportunities available to Respondents in the Phoenix-area real
25 estate market.

26

1 25. Samuels caused to be prepared an Executive Summary dated August 2007 and titled
2 "Executive Summary Investment Presentation" (the "Executive Summary"). After having the
3 Executive Summary reviewed by counsel, Samuels and CURCIO gave the Executive Summary to
4 several AZIN Investors. The Executive Summary described investing in the Business as becoming
5 an "Investment Partner." The "Investor Benefits" described in the Executive Summary included a
6 representation of "A minimum 15% annualized return." The Executive Summary explained that
7 investors could invest with confidence because "Private funding ensures 3-CG's *[sic]* and its
8 investment partners with the ability to gain the additional advantages needed to purchase
9 appropriate properties, perform the necessary renovations and hold, rent, or sell its real estate
10 holdings."

11 26. The Executive Summary further explained that "Partners enjoy secure
12 ownership/membership of a Limited Liability Company made up of \$1,000,000 of Arizona real
13 estate." The Executive Summary also stated that "Each title is in a combined LLC with 3-CG and
14 the investment LLC[.]" The Executive Summary also stated that 3-CG had access and the ability to
15 purchase properties at prices "well below market value—often times at 40 cents on the dollar."

16 27. A newsletter titled "3-CG News; Issue #1 1-2008" provided to investors and
17 potential investors stated that investor funds would be invested in a newly-formed LLC with the
18 investor "listed on 'Title' to the properties as security" (quotation marks in original).

19 28. This 2008 newsletter also included a section written by Samuels titled "Terry's
20 Corner." The heading for this section states that "2008 promises to be the best real estate year yet!"
21 Samuels also states that "This is a phenomenal time to get in and stay in the real estate market....If
22 you anticipate the real estate cycle and know where you are in the cycle based on years of historical
23 data and fellow experienced investor friends, you can make true wealth!"

24 29. Samuels further represented that "No different than Warren Buffet buying
25 companies at discounts, 3-CG buys real estate anywhere from 30-50% of its appraised value."
26

1 30. These sales pitches to potential investors were very successful. By late 2008,
2 approximately 58 different persons (including some entities, trusts and married couples) had
3 invested approximately \$5,110,334.85 in the AZIN Entities. Of this amount, CPG (controlled by
4 Samuels) contributed approximately \$40,000 and CURCIO, through his trust, invested
5 approximately \$130,000. Thus, non-insider contributions totaled \$4,940,334.85.

6 31. The AZIN Investors purchased the Membership Interests in amounts ranging from
7 \$3,580 up to \$400,000; a handful of investors invested in more than one AZIN Entity. Samuels and
8 CURCIO sold these Membership Interests within and from Arizona.

9 32. On behalf of the AZIN Entities, CURCIO pooled and transferred the investor funds
10 to the Business, with almost all transfers going to CPG. Although CURCIO and the Respondents
11 anticipated receiving a deed of trust securing the respective AZIN Entity's funds, the respective
12 AZIN Entity received only an unsecured promissory note from CPG or, on occasion, from another
13 of the Business's entities. Because the deeds of trust were never provided, these unsecured notes
14 were the AZIN Entities' only assets.

15 33. The Business used the pooled funds for the general operations of the Business—
16 obtaining loans, paying contractors, paying bills, payroll, and making payments to institutional
17 lenders. As described in paragraph 10 above, at all relevant times, Samuels was primarily
18 responsible for determining properties for renovation and supervising the purchase, renovation and
19 sale of such properties.

20 34. Samuels and CURCIO, based on the advice of counsel, provided the AZIN Investors
21 with documentation of the Membership Interest purchases in the form of two documents prepared
22 by counsel: a "Subscription and Acceptance by Member" and an Operating Agreement for the
23 respective AZIN Entity, executed by CURCIO as manager of the appropriate AZIN Entity.

24 35. Under the terms of the Operating Agreement for each AZIN Entity, the manager of
25 each entity (CURCIO, with Samuels an additional manger of COMBINED HOLDINGS IV and V)
26 had almost absolute control over the entity. Therefore, the success of the Business—and prospects

1 for distributions to the AZIN Entities and AZIN Investors—depended entirely on Samuels's and
2 CURCIO's management and expertise in profitably operating the Business.

3 **Respondents' Misrepresentations and Omissions**

4 36. While soliciting investors, Samuels and CURCIO failed to inform investors of the
5 Business's existing obligations and foreclosure proceedings pending against properties owned by
6 CPG and the Business's related entities. CPG had defaulted on some of its loans and some of those
7 lenders had filed notices of trustee's sales on CPG's properties. Thus, some CPG properties that
8 were facing foreclosure became "short-sale" or "non-performing note purchase" candidates during
9 the period while Samuels and CURCIO were soliciting the AZIN Investors.

10 37. In the Executive Summary (described above), Samuels and CURCIO represented
11 that the use of "private funds" allowed the Business more flexibility and freedom to hold, sell or
12 rent properties. Samuels and CURCIO further represented to offerees and investors in the
13 Executive Summary that the Investments were safe because they were purchasing properties at 40-
14 60% of the properties' appraised value.

15 38. The representation of property ownership can be found in the Executive Summary
16 statement that Samuels caused to be prepared such as "Partners enjoy secure
17 ownership/membership of a Limited Liability Company made up of \$1,000,000 of Arizona real
18 estate" and in the Operating Agreements of Combined Holdings IV and V that "Each title is in a
19 combined LLC with 3-CG and the investment LLC[.]"

20 39. The Executive Summary indicated the AZIN Investors would receive a minimum
21 return of 15% on their investment. The Business sent AZIN Investors monthly statements showing
22 that Membership Interests had increased in value based solely upon the accrual of a 15% return.
23 Even with the collapse of the Phoenix real-estate market, these statements showed increases of 15%
24 in 2008 and 2009, and a 2.5% increase in 2010.

25 40. In fact, only the investors in AZIN I received a nominal payment from the sale of
26 one home in Scottsdale. The vast majority of investors received only an LLC membership interest

1 in an AZIN Entity. The AZIN Entities did not own or have any security interest in real property
2 or personal property. The AZIN Entities' only assets were unsecured promissory notes made by
3 CPG or another Business entity. The AZIN Investors did not receive any payments in return for
4 their investment.

5 41. CPG purchased properties using financing from hard-money lenders, and these
6 lenders held first-position liens on the Business's real property (the "First-Position Deeds of
7 Trust"), some of which existed and were under threat of foreclosure prior to the investor investing.
8 Any collateral lien that might have been given to an AZIN Entity would have been subordinate to
9 the existing First-Position Deed of Trust.

10 42. These First-Position Deeds of Trust were ultimately foreclosed and included all 3-
11 CG properties owned prior to the creation of the AZIN Entities. At the time of the foreclosures,
12 there was no equity in the properties. Consequently, when lenders foreclosed on the First-Position
13 Deeds of Trust, there were no funds available to pay to the Respondents and the Business ended.

14 III.

15 CONCLUSIONS OF LAW

16 1. The Commission has jurisdiction over this matter pursuant to Article XV of the
17 Arizona Constitution and the Securities Act.

18 2. Respondents offered or sold securities within or from Arizona, within the meaning
19 of A.R.S. §§ 44-1801(15), 44-1801(21), and 44-1801(26).

20 3. Respondents violated A.R.S. § 44-1841 by offering or selling securities that were
21 neither registered nor exempt from registration.

22 4. Respondents violated A.R.S. § 44-1842 by offering or selling securities while
23 neither registered as dealers or salesmen nor exempt from registration.

24 5. Respondents violated A.R.S. § 44-1991. In connection with the offer or sale of
25 securities within or from Arizona, Respondents directly or indirectly made untrue statements of
26

1 material fact or omitted to state material facts that were necessary in order to make the statements
2 made not misleading in light of the circumstances under which they were made.

3 6. Respondents' conduct is grounds for a cease and desist order pursuant to A.R.S.
4 § 44-2032.

5 7. Respondents' conduct is grounds for an order of restitution pursuant to A.R.S. § 44-
6 2032.

7 8. Respondents' conduct is grounds for administrative penalties under A.R.S. § 44-
8 2036.

9 9. Respondent CURCIO acted for the benefit of his and Respondent Spouse's marital
10 community and, pursuant to A.R.S. §§ 25-214 and 25-215, this Order of restitution and
11 administrative penalties is a debt of CURCIO and Respondent Spouse's marital community.

12 10. Respondent CURCIO directly or indirectly controlled all Respondents that are
13 entities within the meaning of A.R.S. § 44-1999; CURCIO is jointly and severally liable with, and to
14 the same extent as those entities, for the entities' violations of A.R.S. § 44-1991.

15 **IV.**

16 **ORDER**

17 THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and Respondents'
18 and Respondent Spouse's consent to the entry of this Order, attached and incorporated by
19 reference, the Commission finds that the following relief is appropriate, in the public interest, and
20 necessary for the protection of investors:

21 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that Respondents, and any of
22 Respondents' agents, employees, successors and assigns, permanently cease and desist from
23 violating the Securities Act.

24 IT IS FURTHER ORDERED that Respondents and Respondent Spouse comply with the
25 attached Consent to Entry of Order.
26

1 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that Respondents and the
2 marital community of CURCIO and Respondent Spouse, along with any respondent against whom
3 an order is entered under Docket No. S-20812A-11-0281, shall jointly and severally pay restitution
4 to the Commission in the total principal amount of \$4,940,334.85, which constitutes the funds paid
5 by AZIN Investors who were not CPG or CURCIO. Payment is due in full on the date of this
6 Order. The restitution obligation of Respondents and the marital community of CURCIO and
7 Respondent Spouse will be considered paid in full upon the earlier of (a) restitution payment(s) by
8 Respondents and the marital community of CURCIO and Respondent Spouse totaling
9 \$4,940,334.85 plus interest; or (b) restitution payments by any of the respondents under Docket No.
10 S-20812A-11-0281 totaling \$4,940,334.85 plus interest. Any principal amount outstanding will
11 accrue interest at the rate of 10 percent per annum from the date of purchase until paid in full.
12 Interest in the amount of \$2,012,169.22 has accrued from the date of purchase to the date of this
13 Order.

14 Payment shall be made to the "State of Arizona" to be placed in an interest-bearing account
15 controlled by the Commission. The Commission shall disburse the funds on a pro rata basis to
16 investors shown on the records of the Commission. Any restitution funds that the Commission
17 cannot disburse because an investor refuses to accept such payment, or any restitution funds that
18 cannot be disbursed to an investor because the investor is deceased and the Commission cannot
19 reasonably identify and locate the deceased investor's spouse or natural children surviving at the
20 time of the distribution, shall be disbursed on a pro rata basis to the remaining investors shown on
21 the records of the Commission. Any funds that the Commission determines it is unable to or
22 cannot feasibly disburse shall be transferred to the general fund of the state of Arizona.

23 The Commission, in its sole discretion, may credit the amount of restitution owed by
24 Respondents with the value of any restitution payments made by them to the AZIN Investors.
25 Respondents shall provide to the Commission all information and documentation to verify that such
26 restitution has been paid which the Commission, in its sole discretion, may accept or reject.

1 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that Respondents and the
2 marital community of CURCIO and JILL L. CURCIO respectively, jointly and severally shall pay
3 an administrative penalty in the amount of \$40,000. Payment is due in full on the date of this
4 Order. Payment shall be made to the "State of Arizona." Any amount outstanding will accrue
5 interest from the date judgment is entered at the rate of 10 percent per annum.

6 IT IS FURTHER ORDERED that payments received by the state of Arizona will first be
7 applied to the restitution obligation. Upon payment in full of the restitution obligation, payments
8 will be applied to the penalty obligation.

9 IT IS FURTHER ORDERED, that if any Respondent fails to comply with this order, the
10 Commission may bring further legal proceedings against that Respondent or Respondent Spouse
11 including application to the superior court for an order of contempt.

12 IT IS FURTHER ORDERED, that no finding of fact or conclusion of law contained in this
13 Order will be deemed binding against any Respondent under this Docket Number who has not
14 consented to the entry of this Order.

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1 IT IS FURTHER ORDERED that this Order will become effective immediately.

2 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

3
4
5 CHAIRMAN

COMMISSIONER

6
7 COMMISSIONER

COMMISSIONER

COMMISSIONER

8
9 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
10 Executive Director of the Arizona Corporation Commission,
11 have hereunto set my hand and caused the official seal of the
Commission to be affixed at the Capitol, in the City of
Phoenix, this _____ day of _____, 2012.

12
13
14 _____
ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

15
16 _____
DISSENT

17
18
19 _____
DISSENT

20 This document is available in alternative formats by contacting Shaylin A. Bernal, ADA
21 Coordinator, voice phone number 602-542-3931, e-mail sabernal@azcc.gov.

22 (RJM)
23
24
25
26

1. Respondents JAMES F. CURCIO (“CURCIO”), AZIN INVESTOR GROUP, LLC, AZIN INVESTOR GROUP II, LLC, AZIN INVESTOR GROUP III, LLC, AZIN INVESTOR GROUP IV, LLC, COMBINED HOLDINGS IV, LLC, COMBINED HOLDINGS V, LLC (collectively, “Respondents”) and JILL L. CURCIO (“Respondent Spouse”) admit the jurisdiction of the Arizona Corporation Commission (the “Commission”) over the subject matter of this proceeding. Respondents and Respondent Spouse acknowledge that they have been fully advised of their right to a hearing to present evidence and call witnesses and Respondents and Respondent Spouse knowingly and voluntarily waive any and all rights to a hearing before the Commission and all other rights otherwise available under Article 11 of the Securities Act and Title 14 of the Arizona Administrative Code. Respondents and Respondent Spouse acknowledge that this Order to Cease and Desist, Order for Restitution, Order for Administrative Penalties and Consent to Same (“Order”) constitutes a valid final order of the Commission.

2. Respondents and Respondent Spouse knowingly and voluntarily waive any right under Article 12 of the Securities Act to judicial review by any court by way of suit, appeal, or extraordinary relief resulting from the entry of this Order.

3. Respondents and Respondent Spouse acknowledge and agree that this Order is entered into freely and voluntarily and that no promise was made or coercion used to induce such entry.

4. Respondents and Respondent Spouse acknowledge that they understand and acknowledge that they have a right to seek counsel regarding this Order, and that Respondents and Respondent Spouse have had the opportunity to seek counsel prior to signing this Order. Respondents and Respondent Spouse acknowledge and agree that, despite the foregoing, Respondents and Respondent Spouse freely and voluntarily waive any and all right to consult or obtain counsel prior to signing this Order.

1 5. Respondents and Respondent Spouse admit only for purposes of this proceeding and
2 any other proceeding in which the Commission is a party the Findings of Fact and Conclusions of
3 Law contained in this Order. Respondents and Respondent Spouse agree that Respondents and
4 Respondent Spouse shall not contest the validity of the Findings of Fact and Conclusions of Law
5 contained in this Order in any present or future proceeding in which the Commission or any other
6 state agency is a party concerning the denial or issuance of any license or registration required by
7 the state to engage in the practice of any business or profession.

8 6. By consenting to the entry of this Order, Respondents and Respondent Spouse agree
9 not to take any action or to make, or permit to be made, any public statement denying, directly or
10 indirectly, any Finding of Fact or Conclusion of Law in this Order or creating the impression that
11 this Order is without factual basis. Respondents will undertake steps necessary to assure that all of
12 Respondents' agents and employees understand and comply with this agreement.

13 7. While this Order settles this administrative matter between Respondents,
14 Respondent Spouse and the Commission, Respondents and Respondent Spouse understand that this
15 Order does not preclude the Commission from instituting other administrative or civil proceedings
16 based on violations that are not addressed by this Order.

17 8. Respondents and Respondent Spouse understand that this Order does not preclude
18 the Commission from referring this matter to any governmental agency for administrative, civil, or
19 criminal proceedings that may be related to the matters addressed by this Order.

20 9. Respondents and Respondent Spouse understand that this Order does not preclude
21 any other agency or officer of the state of Arizona or its subdivisions from instituting
22 administrative, civil, or criminal proceedings that may be related to matters addressed by this
23 Order.

24 10. Respondents agree that they will not apply to the state of Arizona for registration as
25 a securities dealer or salesman or for licensure as an investment adviser or investment adviser
26 representative until such time as all restitution and penalties under this Order are paid in full.

1 11. Respondents agree that they will not exercise any control over any entity that offers
2 or sells securities or provides investment advisory services within or from Arizona until such time
3 as all restitution and penalties under this Order are paid in full.

4 12. CURCIO and Respondent Spouse acknowledge that any restitution or penalties
5 imposed by this Order are obligations of the Respondents as well as CURCIO and Respondent
6 Spouse's marital community.

7 13. Respondents and Respondent Spouse consent to the entry of this Order and agree to
8 be fully bound by its terms and conditions.

9 14. Respondents and Respondent Spouse acknowledge and understand that if they fail to
10 comply with the provisions of the Order and this consent, the Commission may bring further legal
11 proceedings against Respondents and Respondent Spouse, including application to the superior
12 court for an order of contempt.

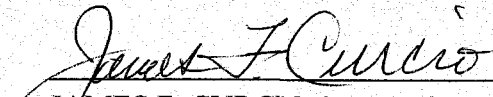
13 15. Respondents and Respondent Spouse understand that default will render
14 Respondents and Respondent Spouse liable to the Commission for its costs of collection and
15 interest at the maximum legal rate.

16 16. Respondents and Respondent Spouse agree and understand that if Respondents and
17 Respondent Spouse fail to make any payment as required in the Order, any outstanding balance will
18 be in default and will be immediately due and payable without notice or demand. Respondents and
19 Respondent Spouse agree and understand that acceptance of any partial or late payment by the
20 Commission is not a waiver of default by the Commission.

21 17. CURCIO represents that he is the manager of AZIN INVESTOR GROUP, LLC,
22 AZIN INVESTOR GROUP II, LLC, AZIN INVESTOR GROUP III, LLC, AZIN INVESTOR
23 GROUP IV, LLC, and a manger of COMBINED HOLDINGS IV, LLC and COMBINED
24 HOLDINGS V, LLC and has been authorized by these entities to enter into this Order for and on
25 their behalf.

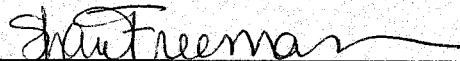
26 **[Signature pages follow]**

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JAMES F. CURCIO, Respondent

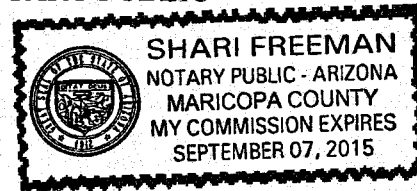
STATE OF ARIZONA)
) ss
County of Maricopa)

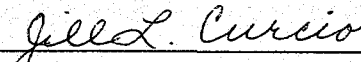
SUBSCRIBED AND SWORN TO BEFORE me this 19 day of March, 2012.


NOTARY PUBLIC

My commission expires:

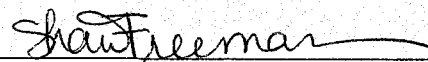
9/7/15




JILL L. CURCIO, Respondent Spouse

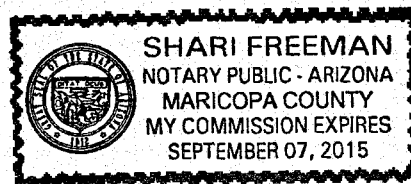
STATE OF ARIZONA)
) ss
County of Maricopa)

SUBSCRIBED AND SWORN TO BEFORE me this 19 day of March, 2012.


NOTARY PUBLIC

My commission expires:

9/7/15



AZIN INVESTOR GROUP, LLC, an Arizona
limited liability company

By: James F. Curcio
James F. Curcio, Manager

AZIN INVESTOR GROUP II, LLC, an
Arizona limited liability company

By: James F. Curcio
James F. Curcio, Manager

AZIN INVESTOR GROUP III, LLC, an
Arizona limited liability company

By: James F. Curcio
James F. Curcio, Manager

AZIN INVESTOR GROUP IV, LLC, an
Arizona limited liability company

By: James F. Curcio
James F. Curcio, Manager

COMBINED HOLDINGS IV, LLC, an
Arizona limited liability company

By: James F. Curcio
James F. Curcio, Manager

COMBINED HOLDINGS V, LLC, an Arizona
limited liability company

By: James F. Curcio
James F. Curcio, Manager

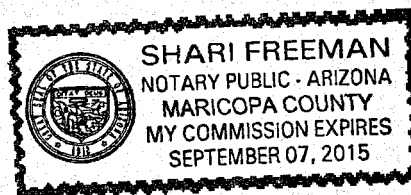
STATE OF ARIZONA)
) ss
County of Maricopa)

SUBSCRIBED AND SWORN TO BEFORE me this 19 day of March, 2012.

Shari Freeman
NOTARY PUBLIC

My commission expires:

9/7/15



1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2
3 COMMISSIONERS

4 GARY PIERCE, Chairman
5 BOB STUMP
6 SANDRA D. KENNEDY
 PAUL NEWMAN
 BRENDA BURNS

7 In the matter of)
8 TERRY L. SAMUELS and ELISABETH)
9 SAMUELS, husband and wife,)
10 JAMES F. CURCIO and JILL L. CURCIO,)
husband and wife,)
11 3-CG, LLC, an Arizona limited liability company,)
12 CHOICE PROPERTY GROUP, LLC, an Arizona)
limited liability company,)
13 AZIN INVESTOR GROUP, LLC, an Arizona)
14 limited liability company,)
15 AZIN INVESTOR GROUP II, LLC, an Arizona)
limited liability company,)
16 AZIN INVESTOR GROUP III, LLC, an Arizona)
17 limited liability company,)
18 AZIN INVESTOR GROUP IV, LLC, an Arizona)
limited liability company,)
19 COMBINED HOLDINGS IV, LLC, an Arizona)
20 limited liability company,)
21 and)
22 COMBINED HOLDINGS V, LLC, an Arizona)
limited liability company,)
23 Respondents.)
24

DOCKET NO. S-20812A-11-0281

**NOTICE OF FILING OF PROPOSED
OPEN MEETING AGENDA ITEM**

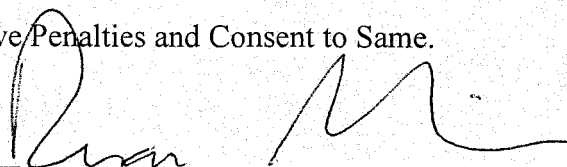
25 Pursuant to A.A.C. R14-4-303, you are hereby notified that Respondents James F. Curcio;
26 AZIN Investor Group, LLC; AZIN Investor Group II, LLC; AZIN Investor Group III, LLC; AZIN

Decision No. _____

Investor Group IV, LLC; Combined Holdings IV, LLC; and Combined Holdings V, LLC, filed with the Arizona Corporation Commission's Docket Control the attached Order to Cease and Desist, Order for Restitution, Order for Administrative Penalties and Consent to Same.

Dated: 3/30/12

By:


 Ryan J. Millicam
 Attorney for the Securities Division of the
 Arizona Corporation Commission

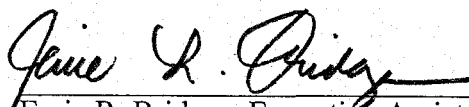
I hereby certify that I have this day served the foregoing document on all parties of record in this proceeding by mailing a copy thereof, properly addressed with first class postage prepaid to:

James Roach II, Esq.
 Roach & Associates, PLLC
 7702 E. Doubletree Ranch Rd., Suite 300
 Scottsdale, AZ 85258
Attorney for Respondents
Terry L. Samuels and Elisabeth Samuels

James F. Curcio & Jill L. Curcio
 9330 East Rocky Lake Drive
 Sun Lakes, AZ 85248-7329

Dated: 3/30/12

By:


 Emie R. Bridges, Executive Assistant